



Quarterly Housing News

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Chairman's Corner



Housing affordability continues to decline in the COG region as

the average sales price of homes climbed to \$392,336 during the third quarter of 2004. Escalating home prices are pushing working families to the fringes of the region, separating them from employment centers and increasing traffic congestion and commuting times for the entire region.

Home prices do not appear likely to stabilize anytime soon, however. Demand for housing remains high, with 5.4% more homes selling during the third quarter 2004 than during the same period last year.

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Local jurisdictions recognize the increasing difficulty local families are experiencing in locating affordable housing and are constantly working to develop programs to increase the local workforce housing stock and assist families in securing decent housing. Programs are designed to address homeownership, elderly and disabled housing, and rental housing issues. In the next several issues of the "Quarterly Housing News," we will highlight some of the region's best local efforts.



District of Columbia Department of Housing and Community Development

The Housing Production Trust Fund ("HPTF" or the "Fund") was created in 1988, but languished until its revival by Mayor Anthony Williams in 2001. The D.C. Housing Act of 2002 created a revenue stream that established 15% of real estate transfer and recordation taxes to be placed into the Fund. The HPTF's main goal is to stimulate the preservation of, rehabilitation and production of affordable housing for low- and moderate-income families and individuals. The Department of Housing and Community Development (DHCD) administers the Fund and maximizes its usage to create and sustain affordable housing throughout the District. Since the Fund's revival, DHCD has constructed, rehabilitated and preserved more than 2,700 extremely low- to moderate-income housing units. District residents have benefited from approximately \$40 million in investments for revitalization throughout the City's most deserving communities.

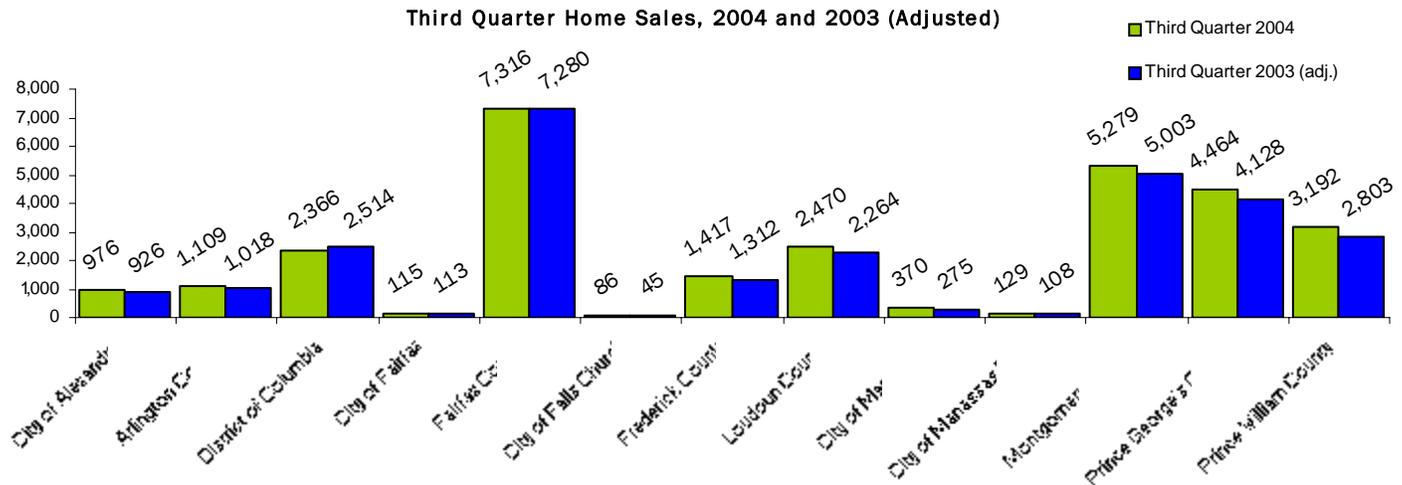


The City of Falls Church Housing and Human Services Division

In a near completely built-out city of 2.2 square miles with 10,400 residents, the opportunities to develop housing, especially affordable housing, are few and far between. Decreases in developable space, high demand for the convenience in location, and the reputation of the City's nationally recognized school system have increased housing costs and made it nearly impossible to produce affordable rental or for-sale housing. In response to these challenges, the City of Falls Church enacted an Affordable Dwelling Unit (ADU) ordinance whereby the City offers density bonuses in exchange for the inclusion of affordable units. By employing a flexible approach in implementing the ADU Ordinance as a model to negotiate for the inclusion of affordable units, the City received 14 homeownership ADUs between 1998 and 2004 and is expecting an additional 27 for-sale affordable condominiums. The ADUs are affordable to households earning between 50% and 80% of the HUD Median Income for the Washington, D.C. region (approximately \$34,000 to \$54,000 for a two person household). Eligible households also receive assistance with down payment and closing costs through the Virginia Housing Development Authority Single Family Regional Loan Fund Financing.

Home Sales Increase 5.4% Since September 2003

More than 29,000 housing units (29,289) were sold in the region during third quarter 2004, a 5.4% (1,500 units) increase in home sales compared with the same period last year. Fairfax County led the jurisdiction in the number of units sold (7,316) followed by Montgomery County (5,279) and Prince George's County (4,464).



Region's Average Home Sale Price Nears \$400,000

Average Home Sales Price, Third Quarter 2004 and 2003 (Adjusted)

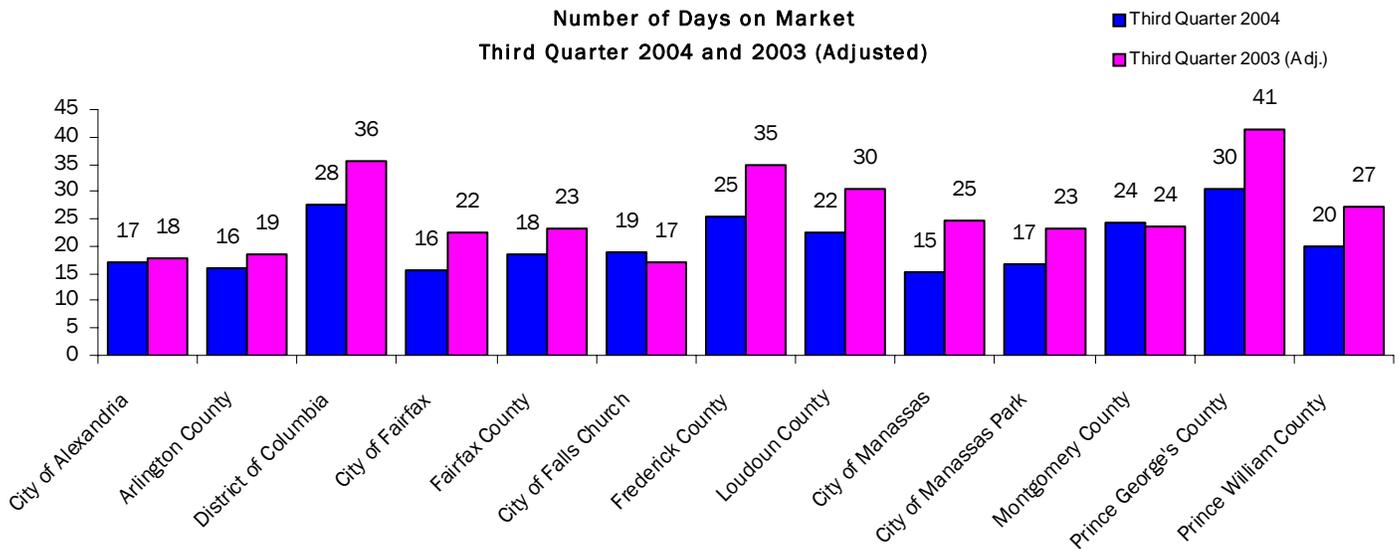
Jurisdiction	1st Qtr 2004	2nd Qtr 2004	3rd Qtr 2004	3rd Qtr 2003 (Adj)	Change, 2003 - 2004	
					#	%
City of Alexandria	\$360,046	\$426,888	\$406,668	\$345,250	\$61,418	17.8%
Arlington County	\$430,317	\$453,840	\$466,756	\$390,984	\$75,772	19.4%
District of Columbia	\$399,566	\$452,664	\$445,325	\$394,905	\$50,420	12.8%
City of Fairfax	\$324,869	\$381,456	\$387,848	\$321,226	\$66,622	20.7%
Fairfax County	\$396,885	\$446,978	\$451,499	\$373,939	\$77,560	20.7%
City of Falls Church	\$510,839	\$535,883	\$527,485	\$459,029	\$68,456	14.9%
Frederick County	\$250,633	\$280,680	\$292,648	\$243,699	\$48,949	20.1%
Loudoun County	\$389,451	\$421,347	\$436,155	\$348,801	\$87,354	25.0%
City of Manassas	\$233,624	\$259,042	\$284,646	\$228,908	\$55,738	24.3%
City of Manassas Park	\$239,682	\$274,951	\$298,929	\$237,841	\$61,088	25.7%
Montgomery County	\$386,595	\$435,050	\$440,360	\$375,615	\$64,745	17.2%
Prince George's County	\$208,899	\$230,481	\$245,520	\$201,896	\$43,624	21.6%
Prince William County	\$286,222	\$318,390	\$336,240	\$264,129	\$72,111	27.3%
COG Region	\$340,909	\$387,235	\$392,336	\$328,935	\$63,400	19.3%

Source: Metropolitan Regional Information Systems, Inc.

¹ Above figures include average prices of single-family detached/attached homes and condominium units sold.

From September 2003 through September 2004, the average sale price of single-family homes in the COG region rose 19.3% to \$392,336. Prince William County experienced the greatest increase in average sale price (27.3%), while average prices were highest in the City of Falls Church (\$527,485).

Region's Homes Sell within 21 Days

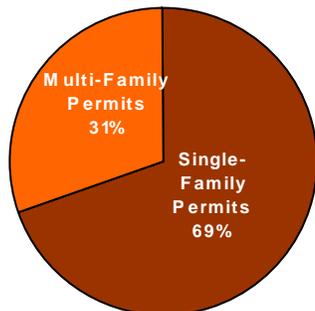


- Homes in the COG region sold 21.2% faster during the third quarter 2004 than during the same period last year (down to 21 days from 26 days).
- Homes sold fastest in the City of Manassas (15 days) and slowest in Prince George's County (30 days).

More Than 7,000 Residential Construction Permits Issued During Third Quarter

A total of 7,829 residential construction permits were issued in the region during the third quarter 2004. More than two-thirds (69%) of those permits were for single-family home construction. Northern Virginia jurisdictions issued 5,955 construction permits, accounting for 76% of the region's total.

Distribution of Construction Permits
Third Quarter 2004



Residential Construction Permitting, Third Quarter 2004

Jurisdiction	Third Qtr. 2004		
	SF	MF	Total
City of Alexandria ¹	0	0	0
Arlington County	0	0	0
District of Columbia	37	298	335
City of Fairfax	7	0	7
Fairfax County	748	1,220	1,968
City of Falls Church ²	1	0	1
Frederick County ³	212	0	212
Loudoun County	1,601	382	1,983
City of Manassas ⁴	0	0	0
City of Manassas Park ⁵	0	0	0
Montgomery County	631	265	896
Prince George's County	431	0	431
Prince William County	1,766	230	1,996
COG Region	5,434	2,395	7,829

Source: U.S. Bureau of the Census

¹Permitting data not available for January and September, 2004.

²Permitting data not available for January through June, August and September, 2004.

³Permitting data not available for March, 2004.

⁴Permitting data not available for January through September, 2004.

⁵Permitting data not available for January through September, 2004.



The Metropolitan Washington Council of Governments (COG) is the regional organization of the Washington area's local governments and officials, plus area members of the Maryland and Virginia legislatures and the U.S. Congress. COG provides a focus for action on issues of regional concern such as housing policy, comprehensive transportation planning, economic development, and population growth and its implications for the region. COG is supported by contributions from participating local governments, federal and state government grants and contracts and through donations from local foundations and the private sector. If you would like to learn more about COG's involvement in the region's housing issues, please visit our website at www.mwcog.org or call Stacy Pethia, Housing Planner, at 202-962-3753.



The Washington Area Housing Partnership (WAHP) is a regional public-private partnership affiliated with, and located within, the Metropolitan Washington Council of Governments. The mission of WAHP is to expand affordable housing opportunities within the metropolitan Washington region. In its role as an information clearinghouse, the Partnership maintains and reports data on various aspects of the region's housing market. This includes the Annual Regional Housing Report, an assessment of the region's rental housing stock and analysis of the Decennial Census of the Population and Housing, the American Housing Survey and the Home Mortgage Disclosure Act. If you are interested in learning more about the Partnership, please contact Keith Fleury, Housing Programs Manager, at 202-962-3346, or visit the Partnership website at www.wahpdc.org.



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The Metropolitan Washington Council of Governments and the Washington Area Housing Partnership would like to thank our following supporters:



The "Quarterly Housing News" is a companion to the "Regional Housing Report," released by COG on an annual basis. The "Quarterly Housing News" provides quarterly updates on housing trends throughout the COG member jurisdictions. To subscribe to this and other newsletters, please visit COG's website at www.mwcog.org/publications/subscribe.

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